

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: Mark Kesel

Case No. 10-41653

**CHAPTER 11
MONTHLY OPERATING REPORT
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 02/28/10

PETITION DATE: 02/16/10

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	<u>\$25,100</u>	<u></u>	<u>\$2,645,342</u>
b. Total Assets	<u>\$2,683,264</u>	<u></u>	
c. Current Liabilities	<u>\$1,100</u>	<u></u>	<u>\$4,083,006</u>
d. Total Liabilities	<u>\$4,083,606</u>	<u></u>	
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	<u>\$6,979</u>	<u></u>	<u>\$6,979</u>
b. Total Disbursements	<u>\$6,775</u>	<u></u>	<u>\$6,775</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>\$204</u>	<u>\$0</u>	<u>\$204</u>
d. Cash Balance Beginning of Month	<u>\$0</u>	<u></u>	<u>\$0</u>
e. Cash Balance End of Month (c + d)	<u>\$204</u>	<u>\$0</u>	<u>\$204</u>
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
5. Account Receivables (Pre and Post Petition)	<u>\$0</u>	<u></u>	
6. Post-Petition Liabilities	<u>\$1,100</u>	<u></u>	
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$0</u>	<u></u>	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|---|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u></u> | <u>X</u> |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | <u></u> | <u>X</u> |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | <u></u> | <u>X</u> |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | <u></u> | <u>X</u> |
| 12. Is the estate insured for replacement cost of assets and for general liability? | <u></u> | <u>X</u> |
| 13. Are a plan and disclosure statement on file? | <u></u> | <u>X</u> |
| 14. Was there any post-petition borrowing during this reporting period? | <u></u> | <u>X</u> |
| 15. Check if paid: Post-petition taxes <u>X</u> ; U.S. Trustee Quarterly Fees <u></u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>X</u> .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) | | |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 3-19-10

Mark Kesel
Responsible Individual

BALANCE SHEET
(Small Real Estate/Individual Case)
For the Month Ended 02/28/10

Assets		Check if Exemption Claimed on Schedule C	Market Value
Current Assets			
1	Cash and cash equivalents (including bank accts., CDs, etc.)		\$100
2	Accounts receivable (net)		
3	Retainer(s) paid to professionals		
4	Other: <u>Retainer to Bankruptcy Attorney</u>		\$25,000
5			
6	Total Current Assets		\$25,100
Long Term Assets (Market Value)			
7	Real Property (residential)		\$859,000
8	Real property (rental or commercial)		\$1,500,000
9	Furniture, Fixtures, and Equipment	X	\$5,225
10	Vehicles	X	\$4,000
11	Partnership interests		
12	Interest in corporations		
13	Stocks and bonds		\$5,235
14	Interests in IRA, Keogh, other retirement plans	X	\$283,000
15	Other: <u>Small balances from bank accts.</u>		\$304
16	Personal items	X	\$1,400
17	Total Long Term Assets		\$2,658,164
18	Total Assets		\$2,683,264
Liabilities			
Post-Petition Liabilities			
Current Liabilities			
19	Post-petition not delinquent (under 30 days)		\$1,100
20	Post-petition delinquent other than taxes (over 30 days)		
21	Post-petition delinquent taxes		
22	Accrued professional fees		
23	Other: _____		
24			
25	Total Current Liabilities		\$1,100
26	Long-Term Post Petition Debt		
27	Total Post-Petition Liabilities		\$1,100
Pre-Petition Liabilities (allowed amount)			
28	Secured claims (residence)		\$859,000
29	Secured claims (other)		\$1,500,000
30	Priority unsecured claims		\$87,183
31	General unsecured claims		\$1,636,323
32	Total Pre-Petition Liabilities		\$4,082,506
33	Total Liabilities		\$4,083,606
Equity (Deficit)			
34	Total Equity (Deficit)		
35	Total Liabilities and Equity (Deficit)		\$4,083,606

NOTE:

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

SCHEDULES TO THE BALANCE SHEET

Schedule A Rental Income Information

List the Rental Information Requested Below By Properties (For Rental Properties Only)

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property			
2 Scheduled Gross Rents			
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$0	\$0	\$0
7 Scheduled Net Rents	\$0	\$0	\$0
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

Schedule B Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	Wells Fargo Bank		
11 Account No.	9526265245		
12 Account Purpose	DIP		
13 Balance, End of Month	\$5,092		
14 Total Funds on Hand for all Accounts	\$5,092		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/10

	Actual Current Month	Cumulative (Case to Date)
Cash Receipts		
1 Rent/Leases Collected		
2 Cash Received from Sales		
3 Interest Received		
4 Borrowings		
5 Funds from Shareholders, Partners, or Other Insiders		
6 Capital Contributions		
7 Net Rents Proceeds including laundry income	\$6,979	\$6,979
8		
9		
10		
11		
12 Total Cash Receipts	\$6,979	\$6,979
Cash Disbursements		
13 Selling		
14 Administrative		
15 Capital Expenditures		
16 Principal Payments on Debt		
17 Interest Paid		
Rent/Lease:		
18 Personal Property		
19 Real Property		
Amount Paid to Owner(s)/Officer(s)		
20 Salaries		
21 Draws		
22 Commissions/Royalties		
23 Expense Reimbursements		
24 Other		
25 Salaries/Commissions (less employee withholding)		
26 Management Fees		
Taxes:		
27 Employee Withholding		
28 Employer Payroll Taxes		
29 Real Property Taxes		
30 Other Taxes		
31 Other Cash Outflows:		
32 Living Expenses	\$4,000	\$4,000
33 Mortgage Payment	\$2,775	\$2,775
34		
35		
36		
37 Total Cash Disbursements:	\$6,775	\$6,775
38 Net Increase (Decrease) in Cash	\$204	\$204
39 Cash Balance, Beginning of Period		
40 Cash Balance, End of Period	\$204	\$204